



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: June 5, 2002

TO: Legislative Finance Committee

FROM: Taryn Purdy

RE: Appropriations Transfers Submitted by Governor

In accordance with 17-7-301, MCA, the Governor has submitted four potential transfers of appropriations (supplemental appropriations) from fiscal 2003 to fiscal 2002 to the Legislative Finance Committee (LFC) for comment and report. It is the obligation of the LFC to report to the Governor whether, in the committee's view, the requests meet statutory criteria and to raise any necessary compliance issues. If the LFC does not provide a report, the Governor (or other approving authority) can authorize the transfer 90 days after the date the request was forwarded to the committee. The LFC does not approve or deny the requests.

Statute requires two things before a request to move authority from the second year of the biennium to the first can be made:

- 1) Expenditures must be for an "unforeseen and unanticipated emergency" that causes the appropriation for the year to be insufficient for the operation and maintenance of the agency in that year; and
- 2) The requesting agency must present a plan for reducing expenditures in the second year of the biennium that "allows the agency to contain expenditures within appropriations." Several exceptions to this requirement exist, including an unforeseen and unanticipated emergency for fire suppression.

APPROPRIATION TRANSFERS PENDING

The Governor has given preliminary approval to the following transfers:

- 1) \$36,000 in the Department of Commerce for one-time costs associated with the move to 301 S. Park Street. Staff raises no issues with this proposed transfer, as the funds were appropriated for this move in fiscal 2003.
- 2) \$18,000 in the Department of Revenue for temporary hires in the Liquor Division. OBPP states in its letter to the committee that the absence of language that had previously been used would have allowed the department to add temporary employees without using the supplemental process. However, OBPP had included this language in their last budget request, and the Department of Revenue had requested its elimination during subcommittee action.

- 3) \$112,894 in the Department of Justice to board prisoners in county detention facilities. This proposed supplemental is discussed in the attached memo by Lorene Thorson.
- 4) \$3,521,766 in state special revenue authority for fire costs in the Department of Natural Resources and Conservation. This proposed supplemental does not appear to meet statutory requirements. A discussion of this issue by Gary Hamel is attached.

At the time of writing, the Office of Budget and Program Planning (OBPP) had indicated they would request another supplemental appropriation for the Department of Public Health and Human Services. That supplemental will be discussed in another document.

OPTIONS

The committee may take one of three actions:

- 1) Inform the Governor that the committee does not raise any issues of statutory compliance with any proposed transfer.
- 2) Inform the Governor of statutory compliance issues with one or more of the transfers.
- 3) Take no action. The Governor cannot approve or deny any transfer for 90 days if the committee does not provide a formal report.